

EXHIBIT E



May 8, 2023

Wallet Withdrawal Motion

In re BlockFi Inc., No. 22-19361 (MBK)

United States Bankruptcy Court for the District of New Jersey

Judge Michael B. Kaplan

The Wallet Withdrawal Motion

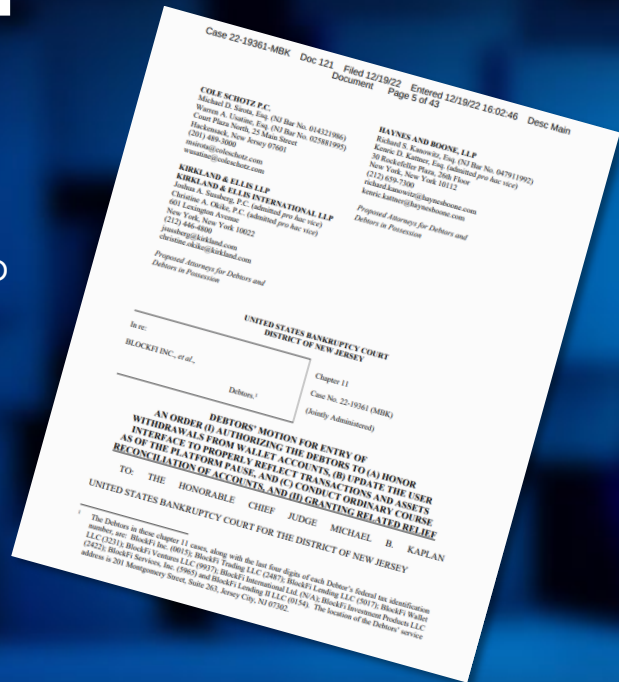
The Debtors seek to do right by their clients:



Honor client withdrawals from Client Wallet Accounts as of the Platform Pause Time Stamp and **return the crypto in Omnibus Wallet Accounts to clients promptly**; and



Update the User Interface to reflect proper accounting of digital assets as of the Platform Pause Time Stamp.



The Omnibus Wallet Accounts



BlockFi Wallet

**Notional Value of Custodial
Omnibus Wallets as of the
Platform Pause Time Stamp**

\$296,950,551.82⁽¹⁾

Cheela Decl. ¶ 81.

(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.

The Wallet Withdrawal Objection



BlockFi Wallet

**Notional Value of Custodial
Omnibus Wallets as of the
Platform Pause Time Stamp⁽¹⁾**

\$296,950,551.82⁽¹⁾

**The Troutman Ad
Hoc Committee**

**Asks that ~\$375 million⁽²⁾ of
Requested BIA to Wallet
Transfers by 48,185 clients
after the Platform Pause
Time Stamp should *also* be
entitled to recovery from the
digital assets in the
Custodial Omnibus Wallets**

Cheela Decl. ¶ 81.

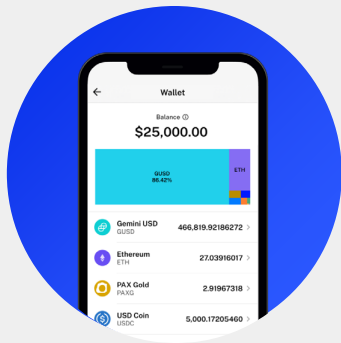
See Troutman Ad Hoc Committee Response [Docket No. 834], ¶ 9, 23.

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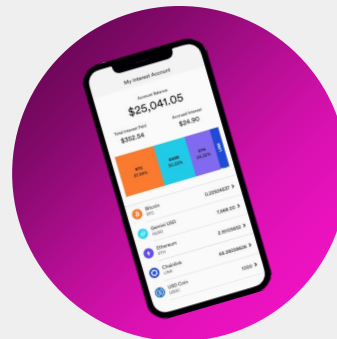
(2) Price conversion using digital asset prices as of 01:15 UTC on November 11, 2022.

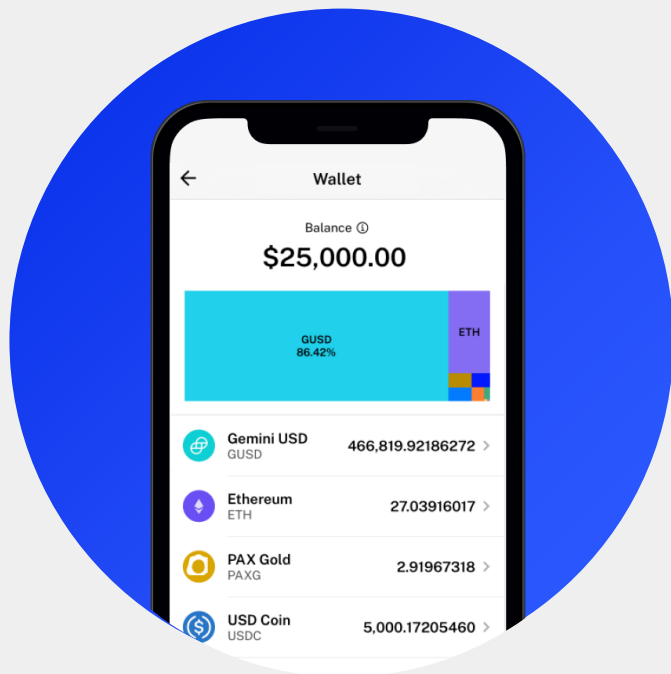
BlockFi provided two distinct products: BlockFi Wallet and BlockFi Interest Account.

BlockFi Wallet



BlockFi Interest Account





BlockFi Wallet

BlockFi Wallet is a custodial, non-interest bearing account, used by BlockFi clients to store digital assets on the BlockFi platform and facilitate trading on the BlockFi platform.

The digital assets in BlockFi Wallet are **not** rehypothecated for BlockFi's revenue-generating activities.

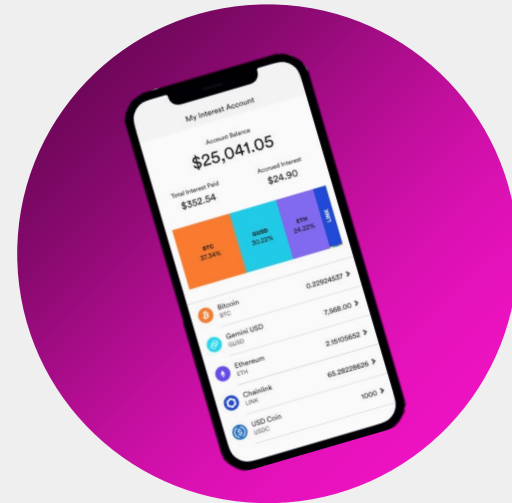
BlockFi maintained omnibus wallets (by coin) at BitGo and Fireblocks, which held the digital assets that clients had placed in their BlockFi Wallets – and BlockFi did **not own or rehypothecate** them.

BlockFi Interest Account

BlockFi Interest Account is an ***interest-bearing*** account, which provides yield to investors who store their digital assets on the BlockFi platform.

The digital assets in BIA may be ***rehypothecated*** (e.g., lent out to others) for BlockFi's revenue-generating activities, and thus may or may not be in BlockFi's possession at any given time.

This is all **clearly** disclosed as it is a key part of BlockFi's business model.





BlockFi Wallet

Custodial Wallets



BitGo Custodial Wallets



Wallet LLC Wallets



International Vault
Wallets



BlockFi Interest Account

Rehypothecateable Wallets⁽²⁾



BlockFi Inc. BIA Wallets



BlockFi International BIA Wallets⁽¹⁾

See Cheela Decl. ¶¶ 22-24, 26; see Stipulated Facts [Docket No. 842], ¶¶ 24-32, 38-44.

(1) BlockFi International Ltd. has a wallet subaccount with Fireblocks. Cheela Decl. ¶ 24.

(2) BlockFi Lending LLC also had Rehypothecateable Wallets for loan collateral and BlockFi Private Client.



Events Leading to the Platform Pause

November 2022

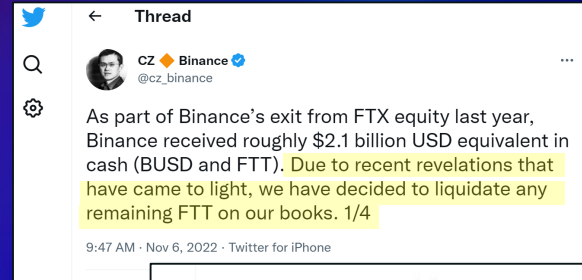
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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20	21	22	23	24	25	26
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See generally Cheela Decl. ¶ 51-54.

FTX Faces Media Onslaught

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1	2	3	4	5
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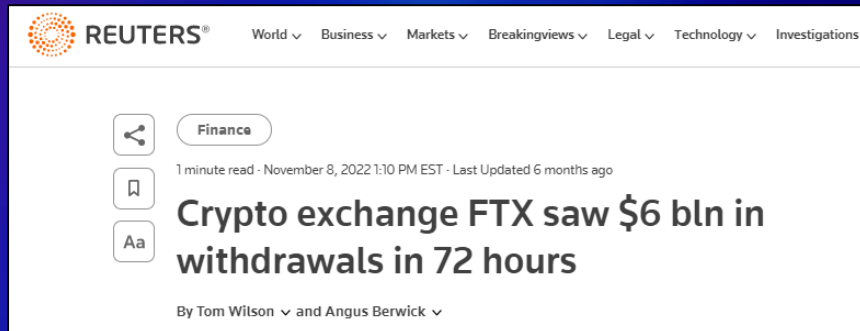


See generally Cheela Decl. ¶¶ 51-54.
https://twitter.com/cz_binance/status/1589283421704290306?lang=en

FTX Experiences Massive Withdrawals

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1	2	3	4	5
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The screenshot shows the Reuters website interface. At the top is the Reuters logo and navigation links: World, Business, Markets, Breakingviews, Legal, Technology, and Investigations. Below the navigation bar, there are icons for sharing, bookmarking, and font size adjustment. The article title is "Crypto exchange FTX saw \$6 bln in withdrawals in 72 hours" in a large, bold font. Above the title, it says "1 minute read · November 8, 2022 1:10 PM EST · Last Updated 6 months ago". Below the title, the authors are listed as "By Tom Wilson and Angus Berwick".

See generally Cheela Decl. ¶¶ 51-54.

Tom Wilson and Angus Berwick, *Crypto exchange FTX saw \$6 bln in withdrawals in 72 hours*, Reuters, November 8, 2022, 1:10 PM EST, <https://www.reuters.com/business/finance/crypto-exchange-ftx-saw-6-bl-n-withdrawals-72-hours-ceo-message-staff-2022-11-08/>

FTX.COM Suspends Withdrawals

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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27	28	29	30			



Business

FTX Exchange Halts All Crypto Withdrawals

Customer withdrawals that were previously processing but backlogged have been halted altogether, according to an announcement in the FTX Support Telegram group.

By Tracy Wang Nov 8, 2022 at 4:51 p.m. EST Updated Nov 9, 2022 at 12:51 p.m. EST

See Cheela Decl. ¶ 51-52.

Tracy Wang, *FTX Exchange Halts All Crypto Withdrawals*, CoinDesk, November 8, 2022 at 4:51 p.m. EST,
<https://www.coindesk.com/business/2022/11/08/ftx-exchange-halts-all-crypto-withdrawals/>

Binance Offers to Rescue FTX

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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The New York Times

Crypto World Is Rocked as World's Largest Exchange Rescues Rival

Binance, the world's largest cryptocurrency exchange, said it had reached a deal to buy FTX, amid fears the industry could enter another meltdown.

November 8, 2022

See generally Cheela Decl. ¶ 51-54.

David Yaffe-Bellany and Erin Griffith, *Crypto World Is Rocked as World's Largest Exchange Rescues Rival*, The New York Times, November 8, 2022, <https://www.nytimes.com/2022/11/08/technology/binance-ftx-deal-crypto.html>

Binance Backs Out of FTX Deal

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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See generally Cheela Decl. ¶ 51-54.
<https://twitter.com/binance/status/1590449161069268992>



November 10, 2022

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1	2	3	4	5
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9:30 a.m. (prevailing Eastern Time)

BlockFi holds a special meeting of the Board of Directors and discusses, among other things, the possibility of implementing the Platform Pause.

November 10, 2022

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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3:45 p.m. (prevailing Eastern Time)

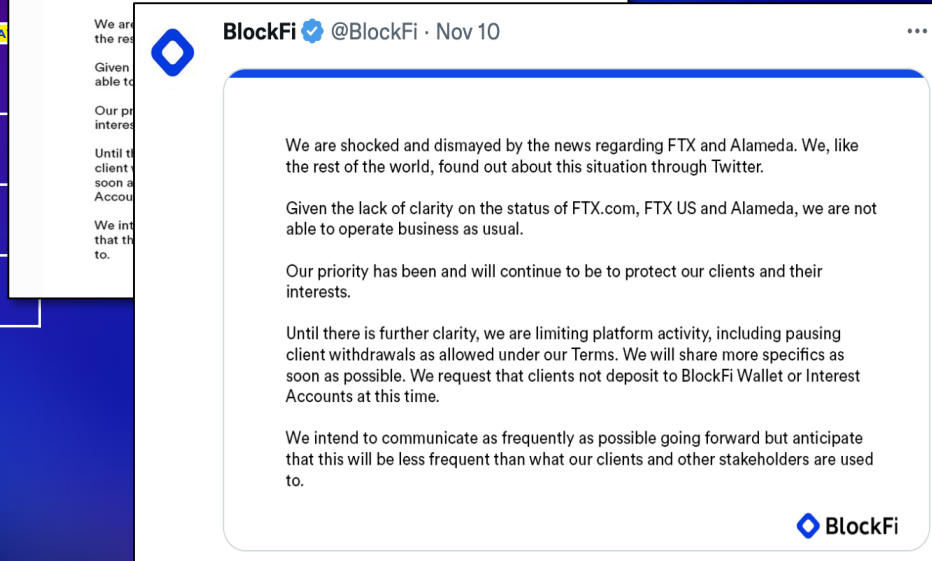
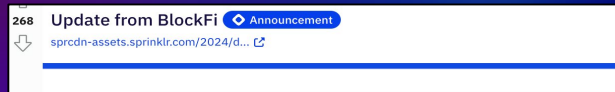
BlockFi holds a special meeting of the Board of Directors and **determines that it is in the best interest of the Company, its clients, and other creditors to implement the Platform Pause.**

BlockFi Pauses Platform Activity

8:15 p.m. (prevailing Eastern Time)

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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BlockFi General Terms of Service

By applying for a BlockFi Account or using the Online Platform, ***you acknowledge that you have read, understood and agree to comply with the Terms.***

**BlockFi Wallet
Terms of Service**

**BlockFi BIA US
Terms of Service**

**BlockFi BIA Non-US
Terms of Service**

**BlockFi Private
Client Terms of
Service**

BlockFi and our third-party partners may experience cyber-attacks, **extreme market conditions, or other operational or technical difficulties which could result in the immediate halt of transfers and withdrawals of cryptocurrency either temporarily or permanently.**

Cheela Decl. ¶ 7, Ex. B (BlockFi Wallet Terms of Service, D.5), Ex. C (BlockFi BIA US Terms of Service, C.3), Ex. D (BlockFi BIA Non-US Terms of Service, E.3), Ex. F (BPC Terms of Service, F.9).

See Stipulated Facts [Docket No. 842], ¶ 2-4, 6.

**BlockFi Wallet
Terms of Service**

**BlockFi BIA US
Terms of Service**

**BlockFi BIA Non-US
Terms of Service**

**BlockFi Trading
Terms of Service**

We reserve the right to limit access to your accounts, which can include temporarily or permanently removing your online access, restricting your account and/or closing your accounts **without prior notice** to you unless prior notice is required by law. We do not bear liability for such actions.

Cheela Decl. ¶ 8, Ex. B (BlockFi Wallet Terms of Service, § G.12), Ex. C (BlockFi BIA US Terms of Service, § G.11); (BlockFi BIA Non-US Terms of Service, § I.11); Ex. E (BlockFi Trading Terms of Service, § I.12).
See Stipulated Facts [Docket No. 842]], ¶¶ 2-5.

BlockFi General Terms of Service

You acknowledge and agree that BlockFi, **in its sole discretion**, may suspend or discontinue your, and refuse any and all current and future, access to or use of you BlockFi Account **at any time without notice to you.**

BlockFi reserves the right to refuse service, terminate relationships, and **cancel orders or transactions in its discretion.**

Crypto Lender BlockFi Suspends Withdrawals in FTX Contagion

Bloomberg – November 10, 2022 at 8:33 P.M. ET

Crypto Lender BlockFi Halts Withdrawals, Citing FTX's Problem

Wall Street Journal – November 10, 2022 at 11:55 P.M. ET

Crypto Lender BlockFi Suspends Withdrawals in FTX Contagion

The Straits Times – November 11, 2022 at 5:43 A.M. ET






November 2022






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The Result of the Platform Pause

The Platform Pause Time Stamp

November 10, 2022, 8:15 p.m.
(prevailing Eastern Time)

BIA to Wallet requests initiated on the User Interface <u>PRIOR TO</u> the Platform Pause Time Stamp	
Wallet to BIA requests initiated on the User Interface <u>PRIOR TO</u> the Platform Pause Time Stamp	
Off-platform withdrawal requests initiated on the User Interface <u>PRIOR TO</u> the Platform Pause Time Stamp	
Trade requests initiated on the User Interface <u>PRIOR TO</u> the Platform Pause Time Stamp	
Posting of Loan Collateral <u>PRIOR TO</u> the Platform Pause Time Stamp	

BIA to Wallet requests initiated on the User Interface <u>AFTER</u> the Platform Pause Time Stamp	
Wallet to BIA requests initiated on the User Interface <u>AFTER</u> the Platform Pause Time Stamp	
Off-platform withdrawal requests initiated on the User Interface <u>AFTER</u> the Platform Pause Time Stamp	
Trade requests initiated on the User Interface <u>AFTER</u> the Platform Pause Time Stamp	
Posting of Loan Collateral <u>AFTER</u> the Platform Pause Time Stamp	

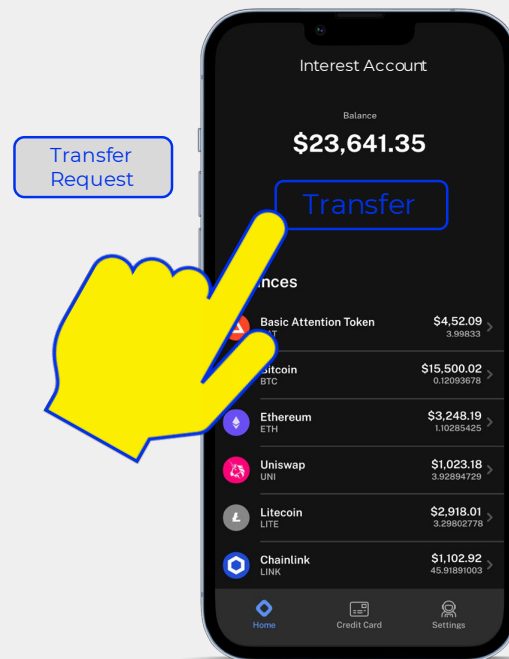
PRIOR TO the Platform Pause Time Stamp

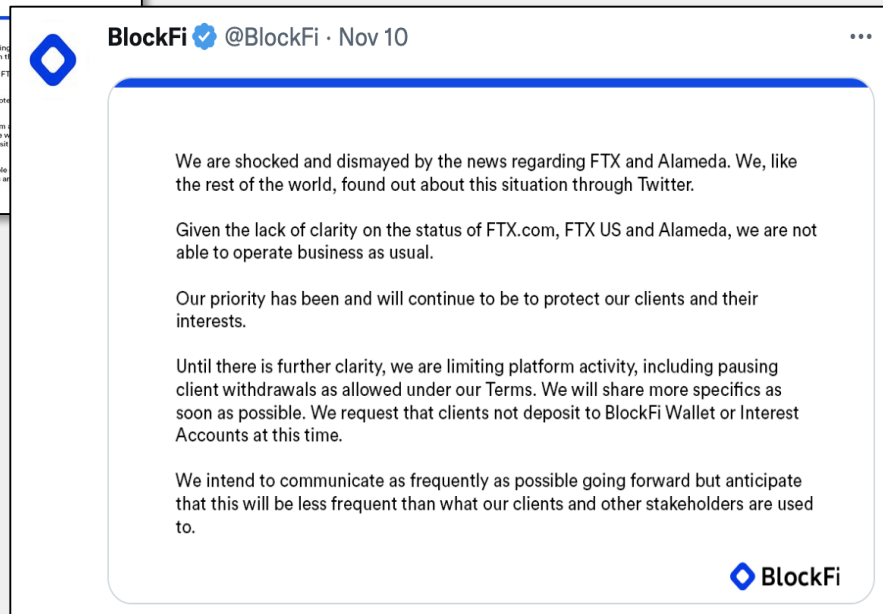
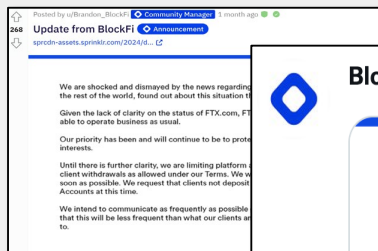
AFTER the Platform Pause Time Stamp

The User Interface

After the implementation of the Platform Pause, it took the Debtors time to fully disable client-facing transfer request functionality on the User Interface.

The process to fully disable the User Interface is complex and requires numerous engineers and UI and UX designers to both troubleshoot and disable aspects of the User Interface.





November 10

8:15 p.m. (prevailing Eastern Time)

BlockFi implements Platform Pause.

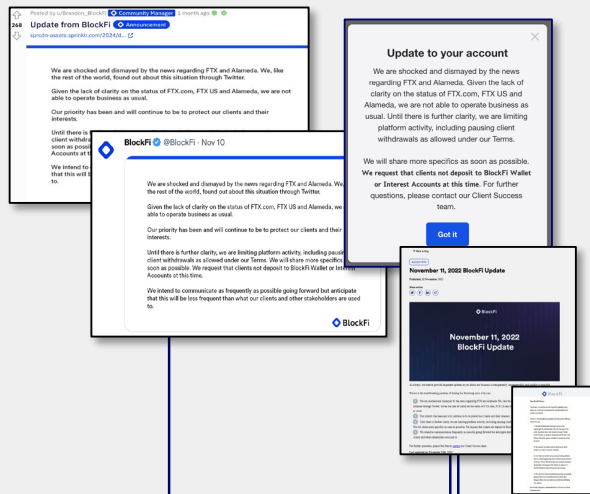
November 10

November 11

November 12-14

November 15 - 17

November 18



BlockFi's engineers investigate ways to fully disable the client-facing transfer request functionality



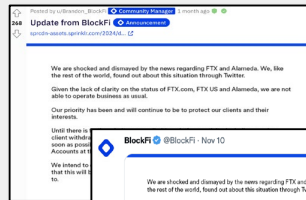
November 10

November 11

November 12-14

November 15 - 17

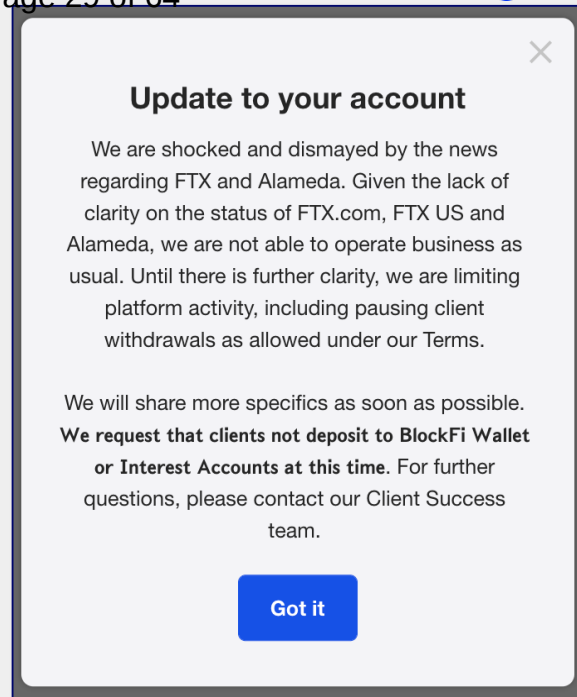
November 18



**November 11
12:14 p.m. (prevailing Eastern Time)**

BlockFi posts an in-app, “dismissible” pop-up message, available to all of BlockFi’s clients using Android and iOS devices.

BlockFi clients needed to click the **“Got It”** button to enter into the app.

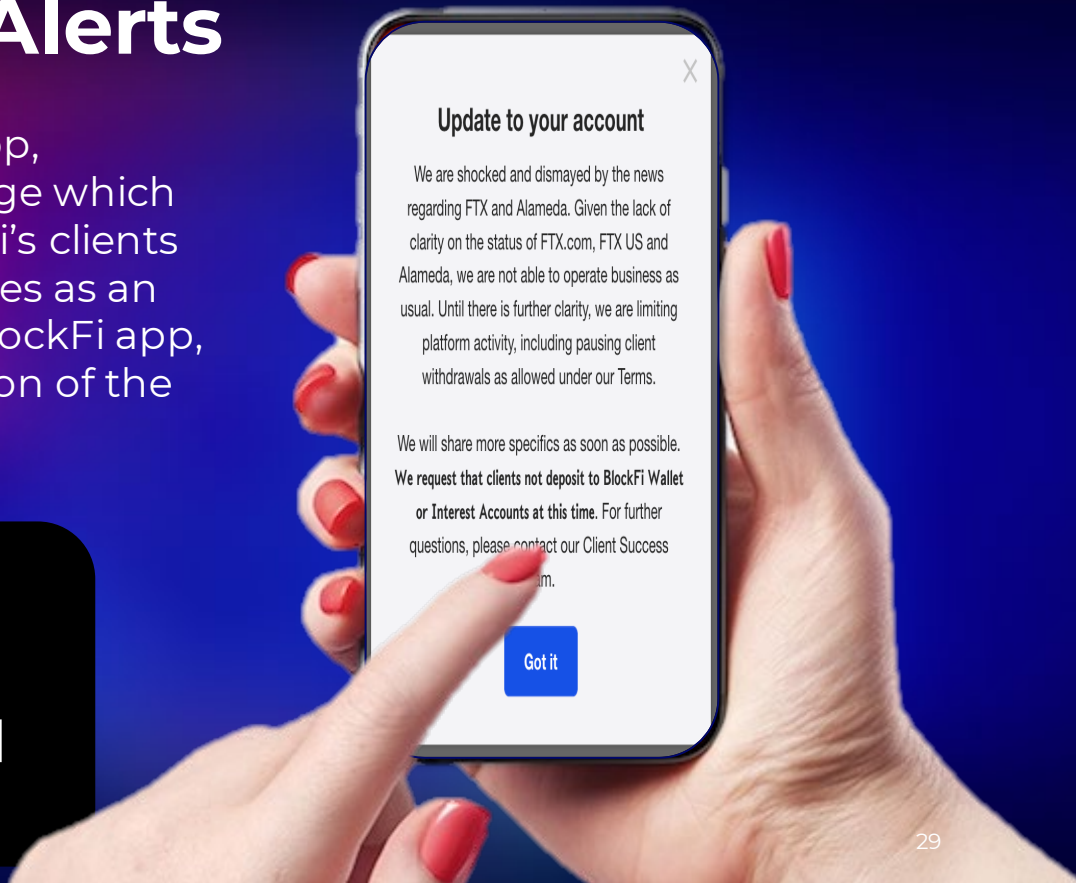


November 11 Alerts

The Debtors posted an in-app, “dismissible,” pop-up message which was available to all of BlockFi’s clients using Android and iOS devices as an alert-style message in the BlockFi app, regarding the implementation of the Platform Pause.

Nov. 11
12:14 PM

Cheela Decl. ¶ 66, Ex. P.
See Stipulated Facts [Docket No. 842], ¶ 19, Ex. S.



November 11 Alerts

Once the In-App Notice was active, a client could not access their BlockFi account without first affirmatively clicking a button on the User Interface to “dismiss” the message.

Nov. 11
12:14 PM

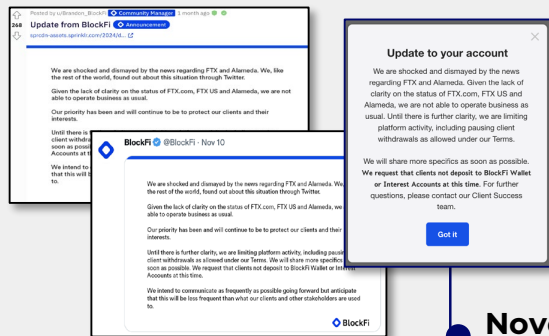
Cheela Decl. ¶ 66, Ex. P.

Update to your account

We are shocked and dismayed by the news regarding FTX and Alameda. Given the lack of clarity on the status of FTX.com, FTX US and Alameda, we are not able to operate business as usual. Until there is further clarity, we are limiting platform activity, including pausing client withdrawals as allowed under our Terms.

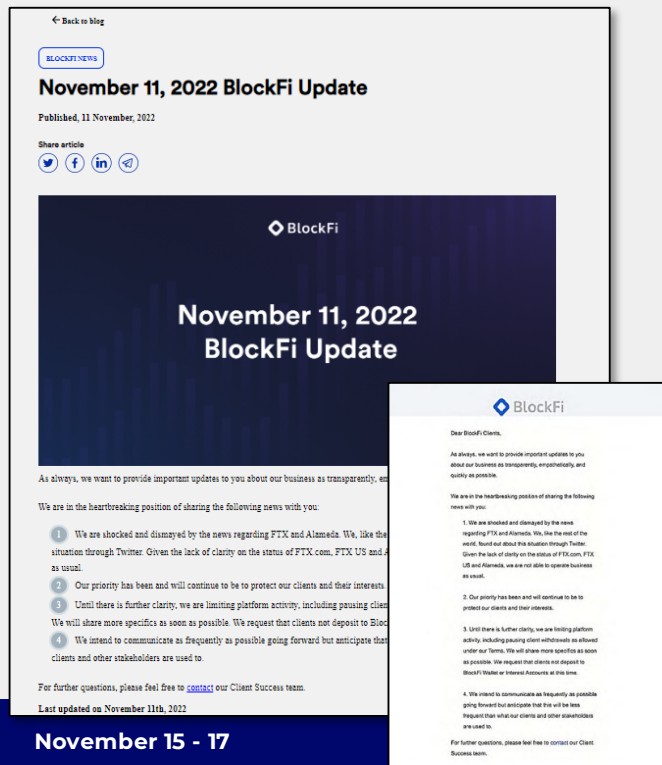
We will share more specifics as soon as possible. **We request that clients not deposit to BlockFi Wallet or Interest Accounts at this time.** For further questions, please contact our Client Success team.

Got it



**November 11
12:17 p.m. (prevailing Eastern Time)**

BlockFi publishes an update on their website regarding the Platform Pause and transmits the message via email to all 650,000+ clients.

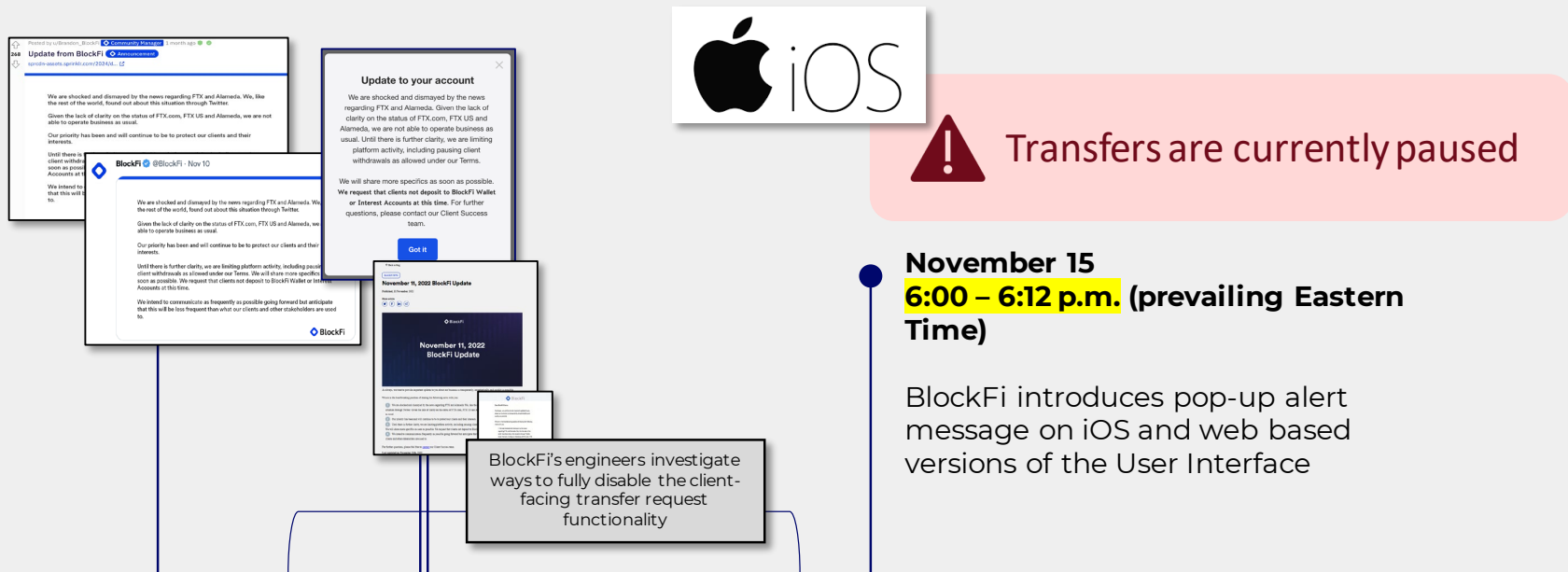


November 10

November 11

November 12-14

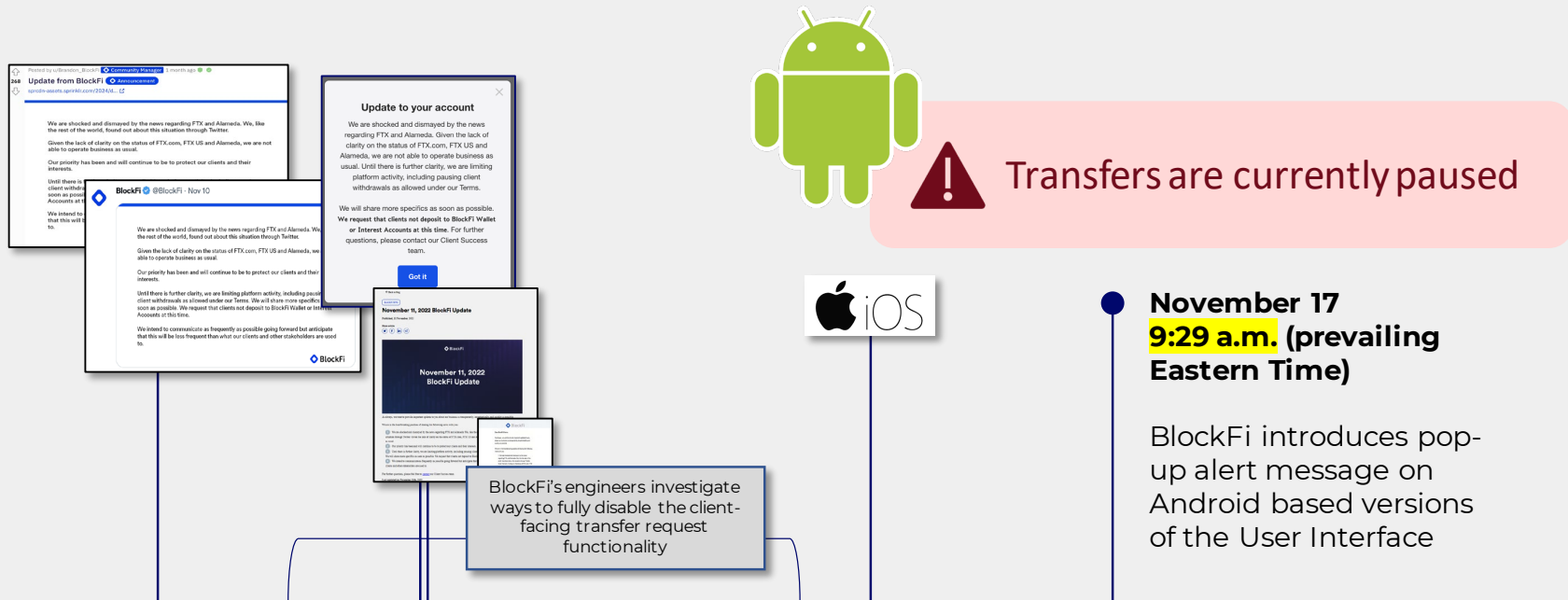
November 15 - 17



BlockFi introduces pop-up alert message on iOS and web based versions of the User Interface

November 18

See Cheela Decl. ¶ 72.
Stipulated Facts [Docket No. 842], ¶¶ 82-83.



Disabling the User Interface

Case 22-19361-MBK

Doc 1478-6

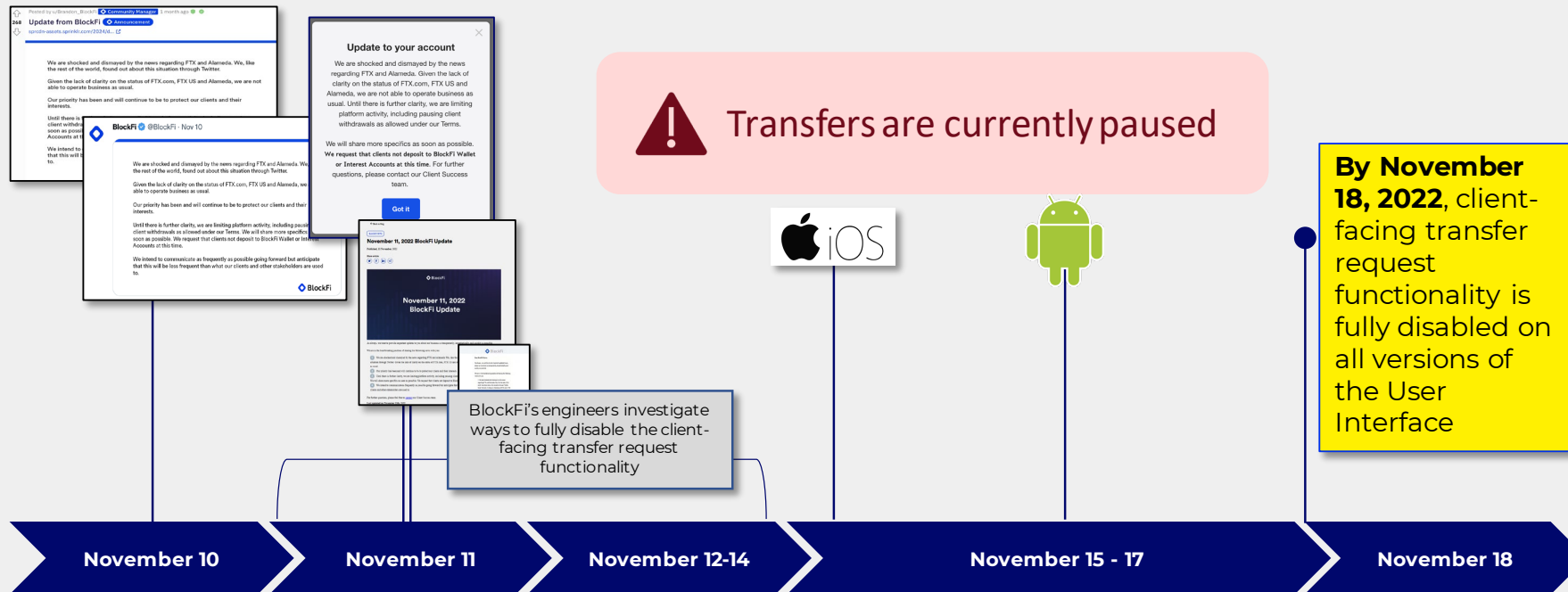
Filed 09/11/23

Entered 09/11/23 16:04:03

Desc



Exhibit to Plaintiff's Declaration Page 35 of 64



The Wallet Withdrawal Objection



BlockFi Wallet

**Notional Value of Custodial
Omnibus Wallets as of the
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\$296,950,551.82⁽¹⁾

**The Troutman Ad
Hoc Committee**

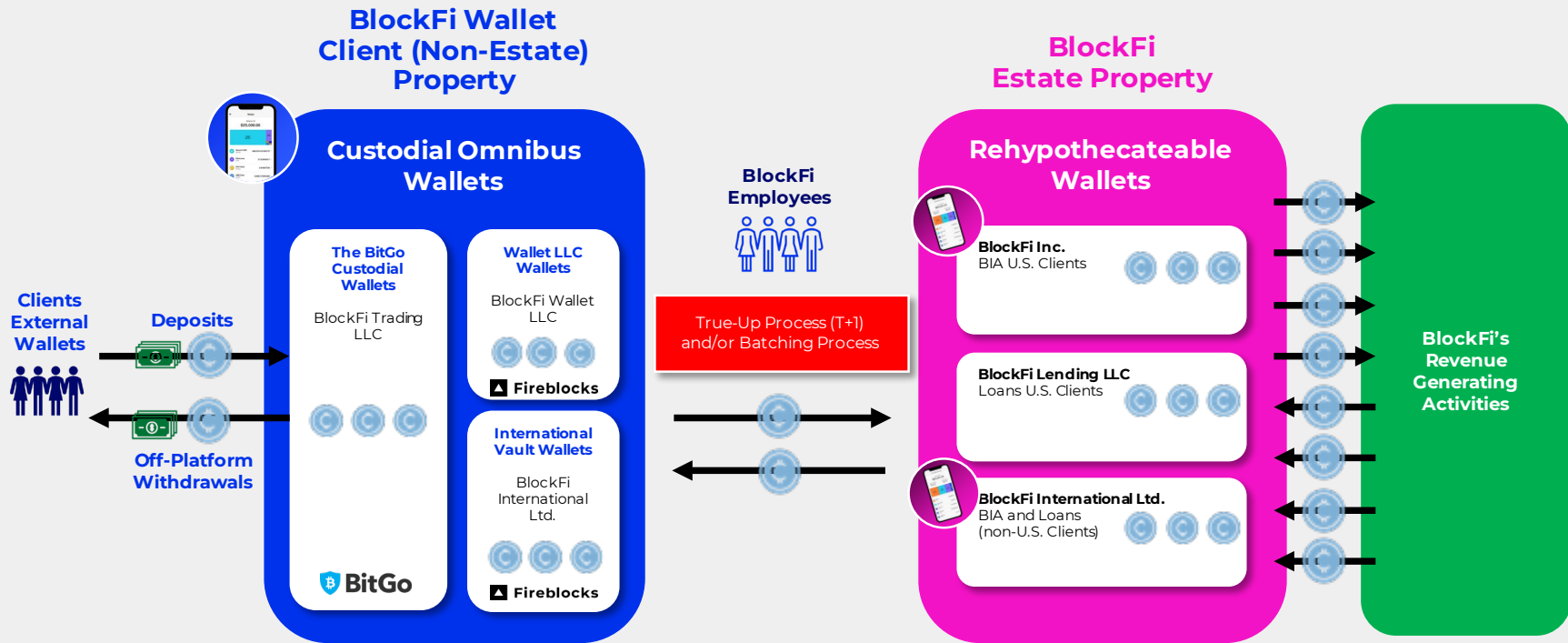
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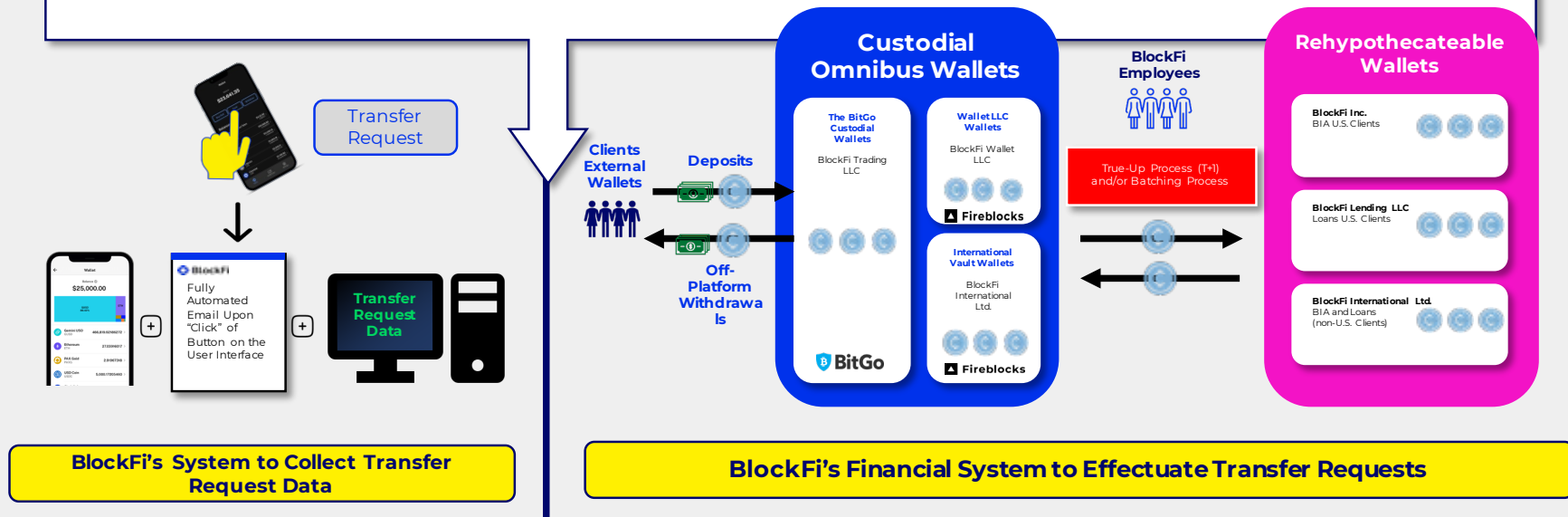
(1) Price conversion using end-of-day digital asset prices at 11:59 UTC on November 28, 2022.

(2) Price conversion using digital asset prices as of 01:15 UTC November 11, 2022.

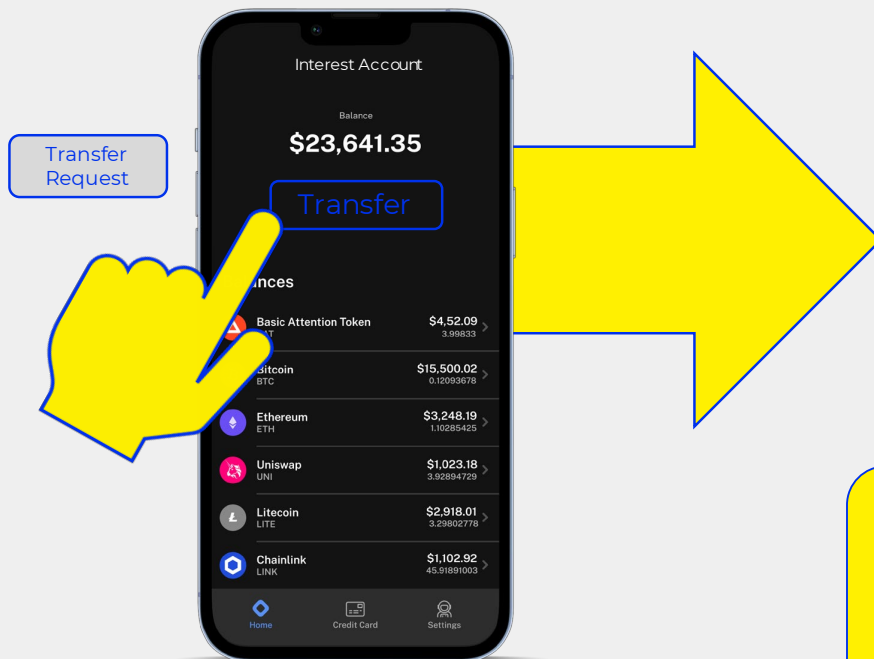


A "Click" Does Not Immediately Transfer Anything

The Debtors' system for collecting transfer request data is **separate and distinct** from the Batching and True-Up Processes the Debtors utilize for effectuating client transfer requests. ***The mere act of clicking a button on the User Interface has no automatic impact on digital assets in Custodial Omnibus Wallets and Rehypothecateable Wallets.***



The User Interface



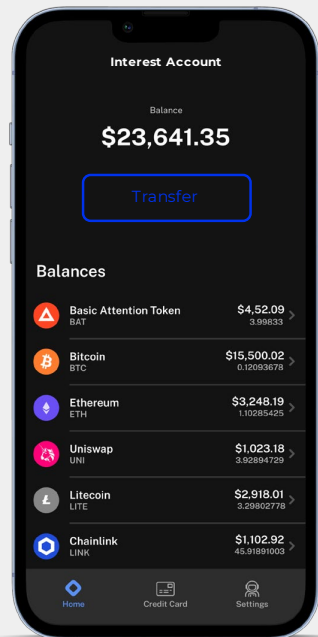
When a BlockFi client initiates a transfer request by clicking the requisite buttons on the User Interface:

- 1 The trade, transfer, or withdrawal request is collected by the Company-Facing Interface to **subsequently** be effectuated via the manual True-Up and/or Batching Processes
- 2 The request is immediately displayed on the User Interface
- 3 The client receives a fully automated email

It is not until the Debtors' employees undertake the Batching and/or True-Up processes that client transfer requests are (or can be) actually effectuated

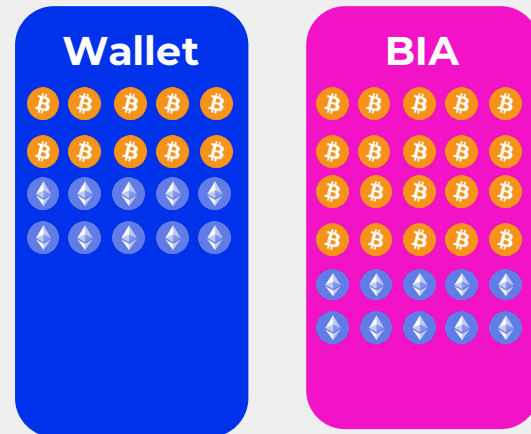
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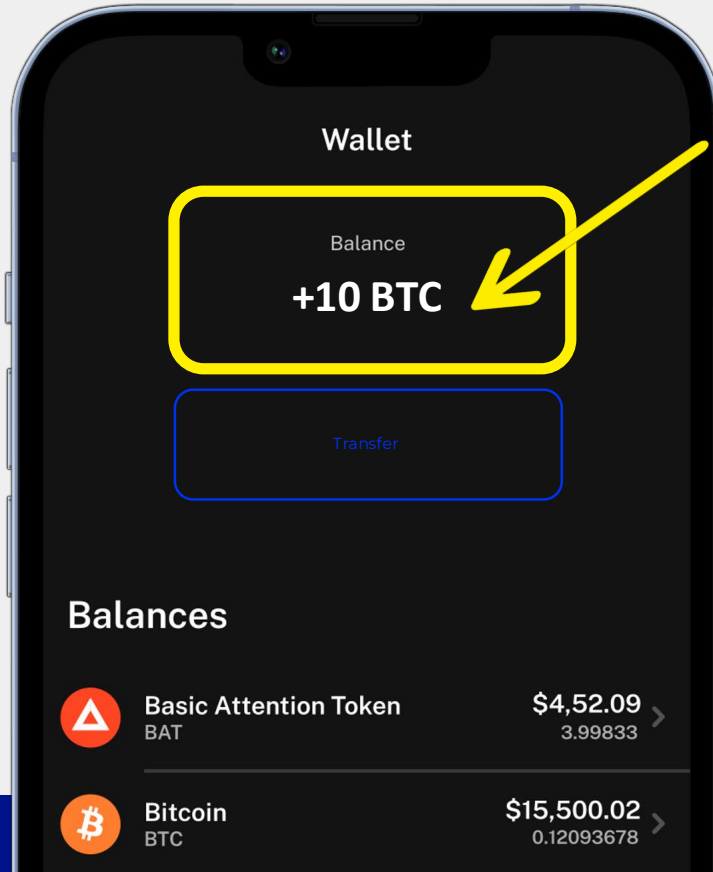
Client A initiates transfer request on User Interface to move 10 BTC from BIA to Wallet



Transfer Request

Coin Balances

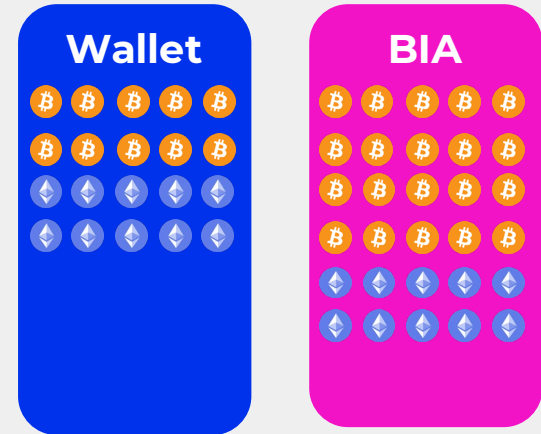




2

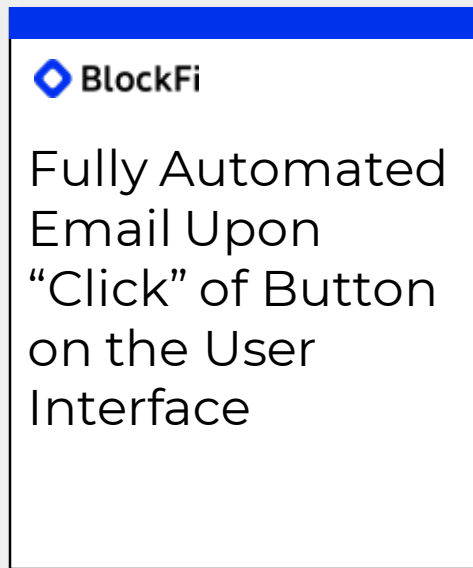
The request is immediately displayed on the User Interface

Coin Balances

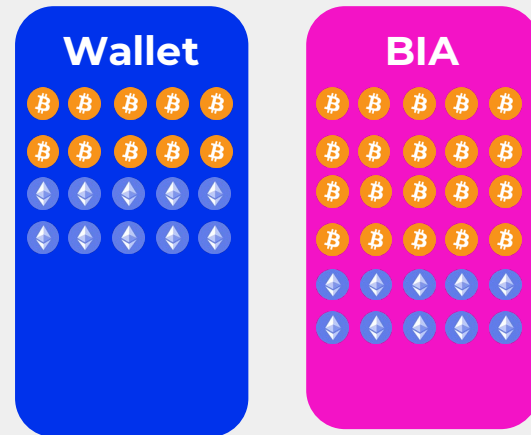


See Cheela Decl. ¶ 49.
See Stipulated Facts [Docket No. 842], ¶ 63.

- 3 The client receives a fully automated email



Coin Balances

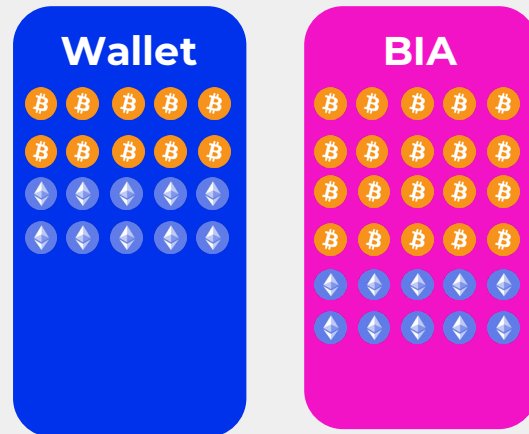




4

Company-Facing Interface collects the transfer request

Coin Balances



Illustrative Transfers Pre-Platform Pause

5

BlockFi Employees conduct the True-Up Process and/or the Batching Process with respect to transfer request data collected on the Company-Facing Interface

BlockFi Employees



True-Up Process
(T+1 business day)

Batching Process

18 Hours for Crypto; ASAP for Fiat
(No Later than T+7)

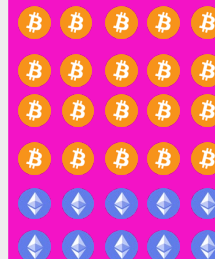
Coin Balances

Wallet



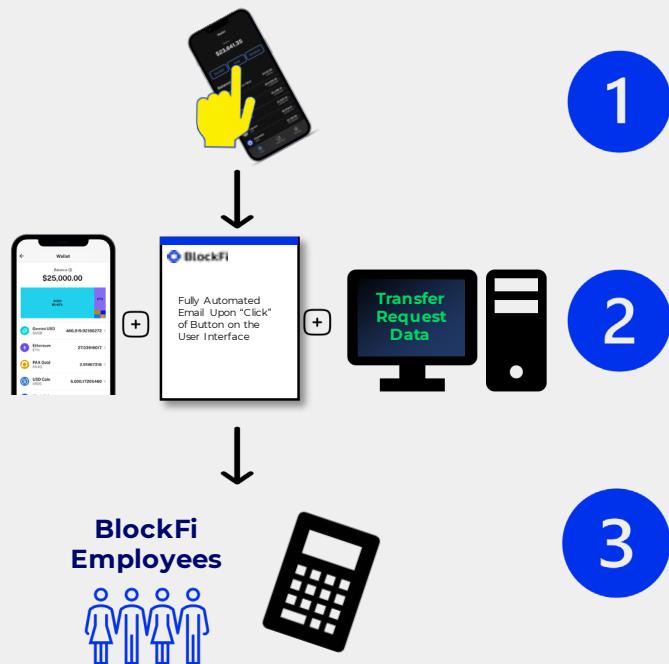
+10 BTC

BIA



-10 BTC

The True-Up Process is a partially manual, multi-step process undertaken by the Debtors' Treasury and Financial Operations Teams to effectuate client transfer request data collected by the Company-Facing Interface. The True-Up process occurred once each business day, generally between 9:00 a.m. and 11:00 a.m. (prevailing Eastern time).



1 BlockFi clients initiate transfer requests on the User Interface. Client receives an automated email and User Interface reflects the book entry for the request.

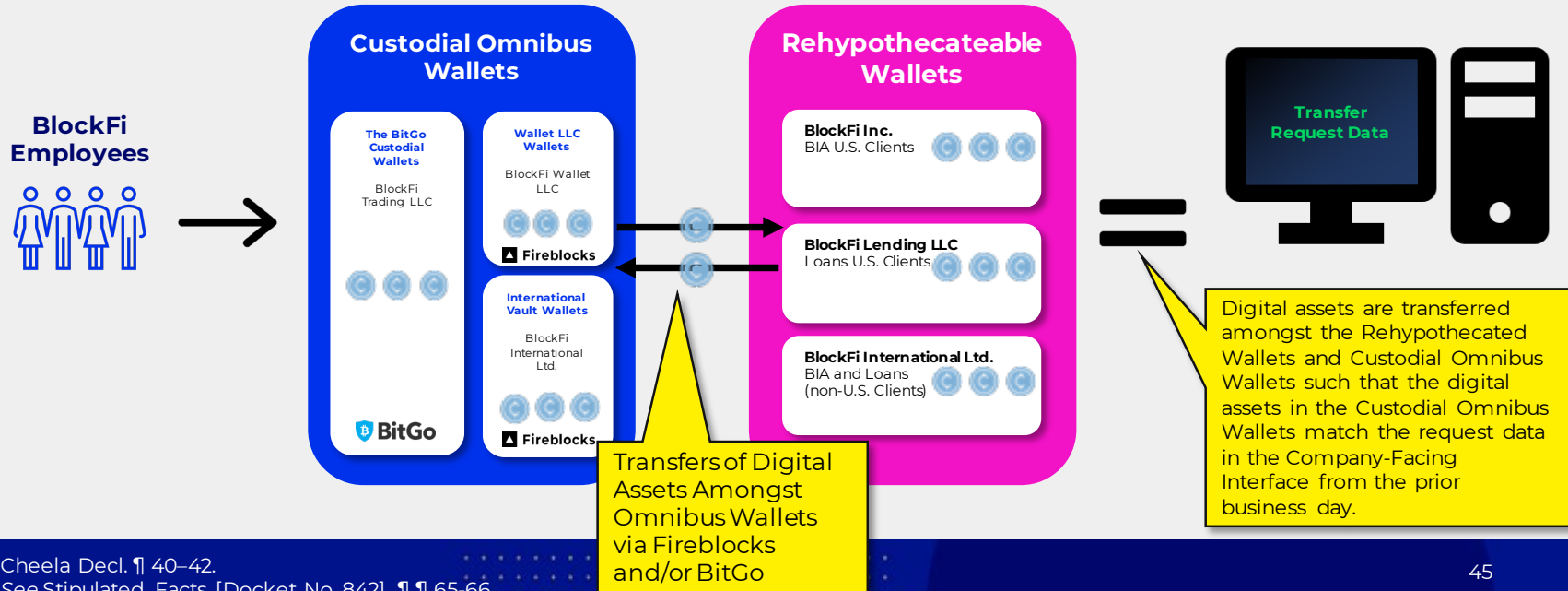
2 Data regarding client transfer requests is automatically collected in the Company-Facing Interface.

3 The data in the Company-Facing Interface is reviewed by BlockFi's Treasury team on the business day following clients' transfer requests. The Treasury team also reviews current Custodial Omnibus Wallet balances to calculate the digital assets that are needed to reconcile the Custodial Omnibus Wallets so that the balances match the transfer request data reflected in the Company-Facing Interface (the "True-Up Amounts").

The True-Up Process (Cont'd)

4

Once each business day, by reference to the prior day's closing balances in Custodial Omnibus Wallets, members of BlockFi's Treasury team effectuate transfers amongst the their Custodial Omnibus Wallets and Rehypothesized Wallets so that the balances in the Custodial Omnibus Wallets and Rehypothesized Wallets match the balances reflected on the User Interface, with a 1-5% buffer in the Custodial Omnibus Wallets.



BlockFi BIA US and Non-US Terms of Service

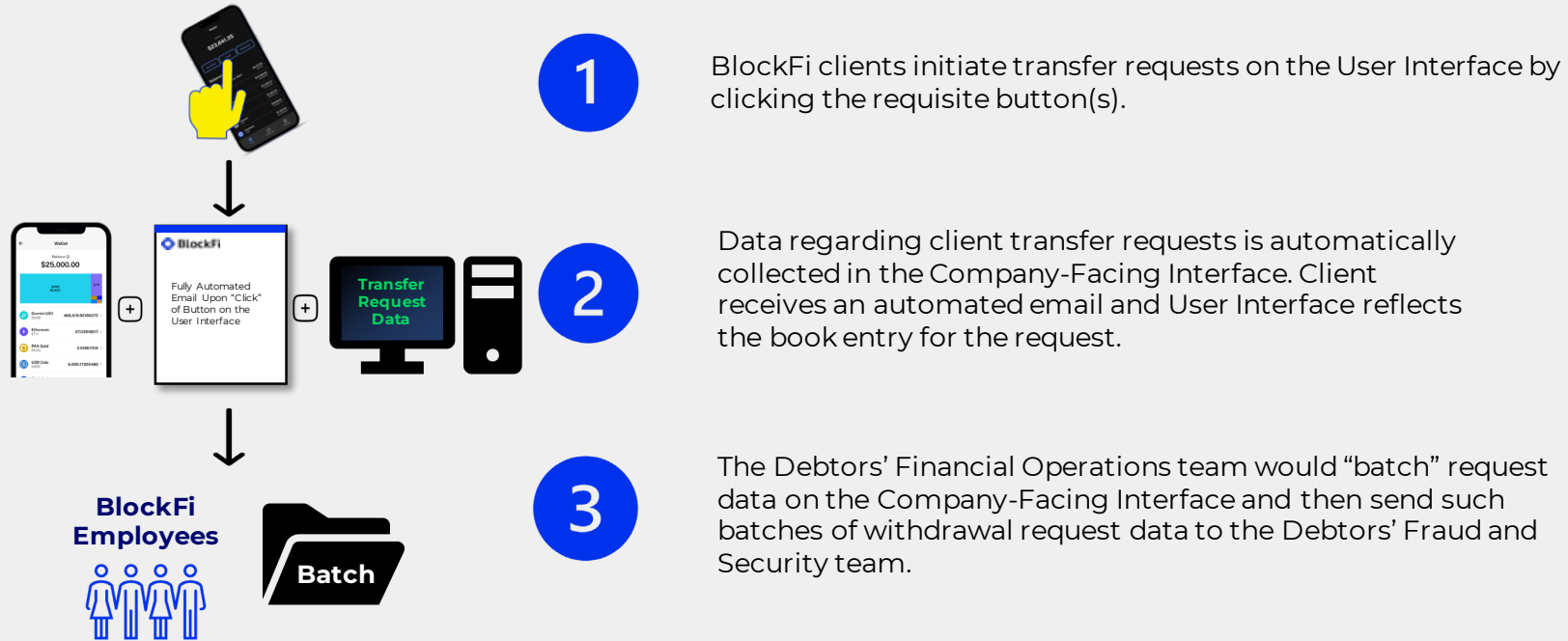
Withdrawals

1. You may make a request for complete or partial withdrawal of principal from your Crypto Interest Account at any time. Any withdrawal of principal will be transferred instantly to your BlockFi Wallet and any withdrawal from your BlockFi Wallet will be subject to BlockFi Wallet Terms. Any interest that has accrued but not been credited to your account on a month-end basis is not eligible for withdrawal until the fifth business day of the following month. If you are an existing U.S. client, please note that any assets you withdraw from your Crypto Interest Account on or after February 14, 2022 will not be eligible for transferring back into your Crypto Interest Account.

2. Withdrawal limits based on frequency and amount may apply from time-to-time and will be described in your Crypto Interest Account interface and on our Website at <https://blockfi.com/fees>.

3. BlockFi and our third party partners may experience cyber-attacks, extreme market conditions, or other operational or technical difficulties which could result in the immediate halt of transfers and withdrawals of cryptocurrency either temporarily or permanently. BlockFi is not and will not be responsible or liable for any loss or damage of any sort incurred by you as a result of such cyber-attacks, operational or technical difficulties or suspensions of transfers or withdrawals.

The True-Up Process is a partially manual, multi-step process undertaken by the Debtors' Financial Operations team to effectuate requests from BIA to Wallet and then ultimately off-platform to clients' external wallets.



BlockFi Fraud and Security



4

The Debtors' Fraud and Security team would run automated fraud checks. The automated fraud check system would identify and flag certain off-platform withdrawal requests, which the Debtors' Fraud and Security team would manually review. Depending on the facts of the particular situation, the process described in steps 3 and 4 can either be completed reasonably quickly, or can take numerous days to complete

BlockFi Financial Operations



5

Each business day, the Debtors' Financial Operations team would review the withdrawal request data that had been reviewed by the Debtors' Fraud and Security team and had cleared fraud checks and hold time;

BlockFi Financial Operations



6

The Debtors' Financial Operations team would again "batch" such withdrawal requests (i.e., organize the requests for processing) according to the time of request and whether such withdrawal request was for digital currency, ACH, or wire (requests for digital withdrawals always had an 18-hour fraud-check holds, request for cash/ACH withdrawals were manual);

The Batching Process (Con't)



7

Two times each business day, the Debtors' Financial Operations team would upload and **submit the valid withdrawal request data to BitGo** (in the instance of on-chain digital currency withdrawal requests), and Silvergate (in the instance of ACH or wire fiat withdrawal requests).

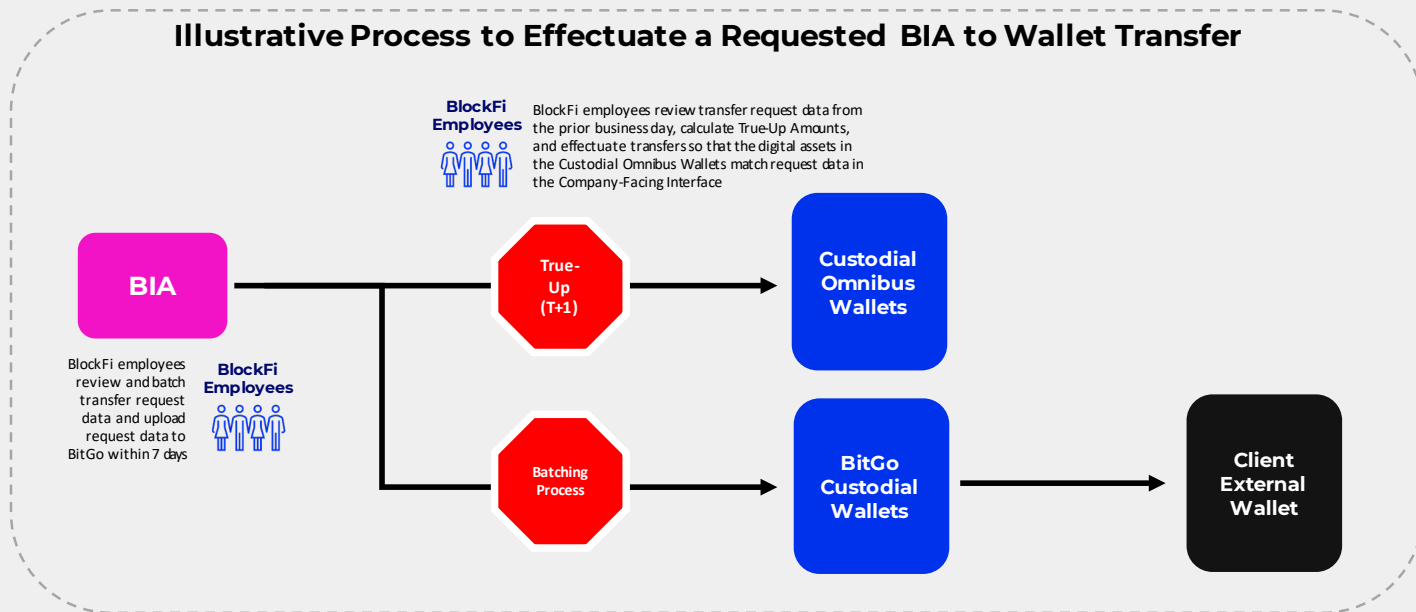


8

If there were sufficient digital assets in the BitGo Custodial Wallets to effectuate the transfer and withdrawal requests, BitGo would then effectuate such requests by facilitating the movement of digital assets from the BitGo Custodial Wallet to the applicable clients external wallets. Depending on the circumstances, this could happen on the same day as the transfer request. **Otherwise, the Financial Operations team could move additional funds to the BitGo Custodial Wallets in order to effectuate BIA to Client Wallet Account transfer request and a Wallet to external wallet withdrawal requests.**

The True-Up and Batching Processes

Digital assets only move from Rehypotheccateable Wallets to Custodial Omnibus Wallets and from the BitGo Custodial Wallet to an external wallet via manual intervention by the Debtors' employees through the True-Up Process and/or Batching Process (whichever comes sooner).

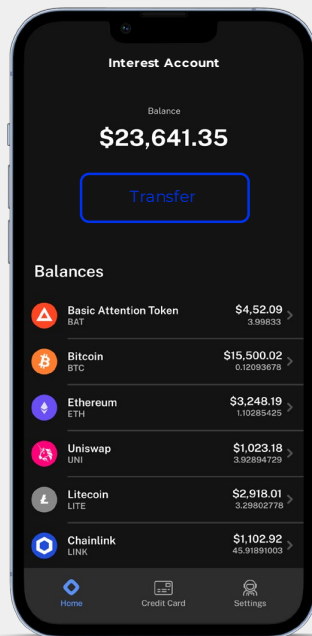


See Cheela Decl. ¶¶ 37–42.

See generally Stipulated Facts ¶¶ 51, 53, 56, 57, 58, 62, 64, 65.

The Attempted Post-Platform Pause Transactions

During the UI Delay Period, a number of clients continued to attempt to enter requests for transactions on the User Interface with respect to the digital assets in their Client Wallet Accounts

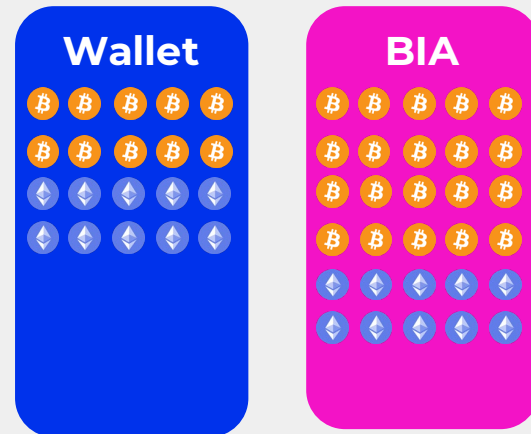


Transfer Request

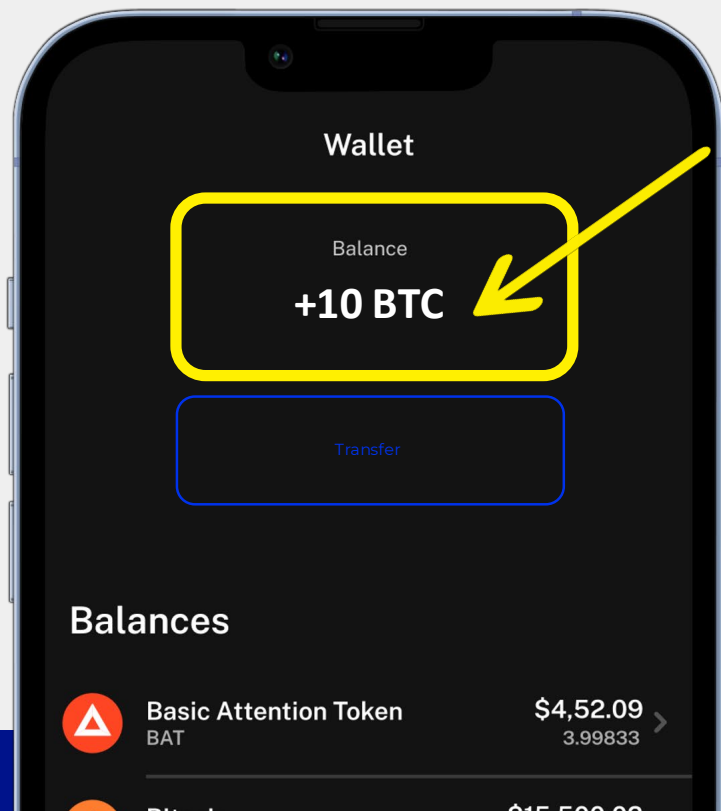
1

Client A initiated transfer request on User Interface to move 10 BTC from BIA to Wallet

Coin Balances

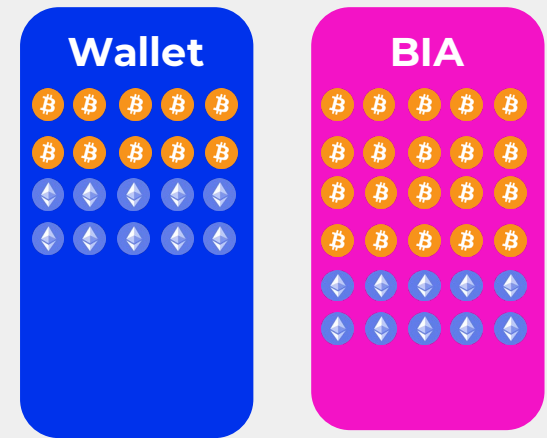


The Attempted Post-Platform Pause Transactions



2 The request was immediately displayed on the User Interface

Coin Balances

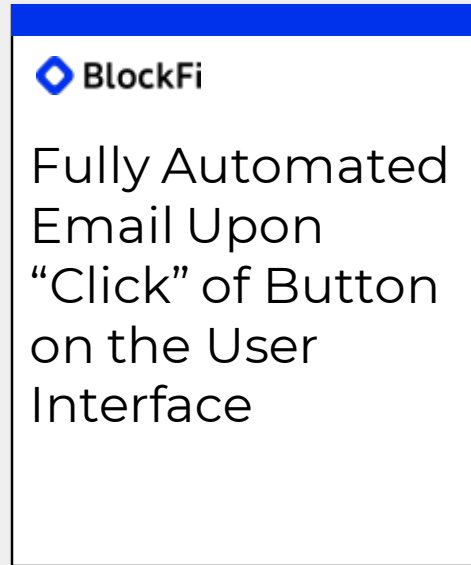


See Cheela Decl. ¶ 49.
See Stipulated Facts [Docket No. 842], ¶ 63, 88.

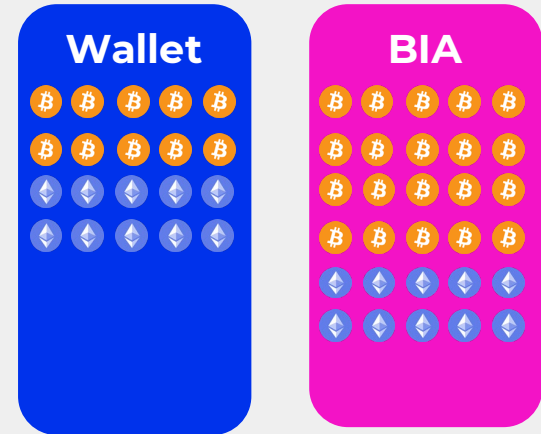
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The Attempted Post-Platform Pause Transactions

- 3 The client received a fully automated email



Coin Balances

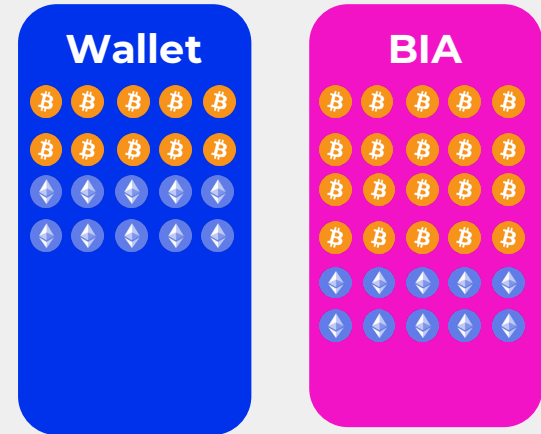




4

Company-Facing Interface collected the transfer request

Coin Balances

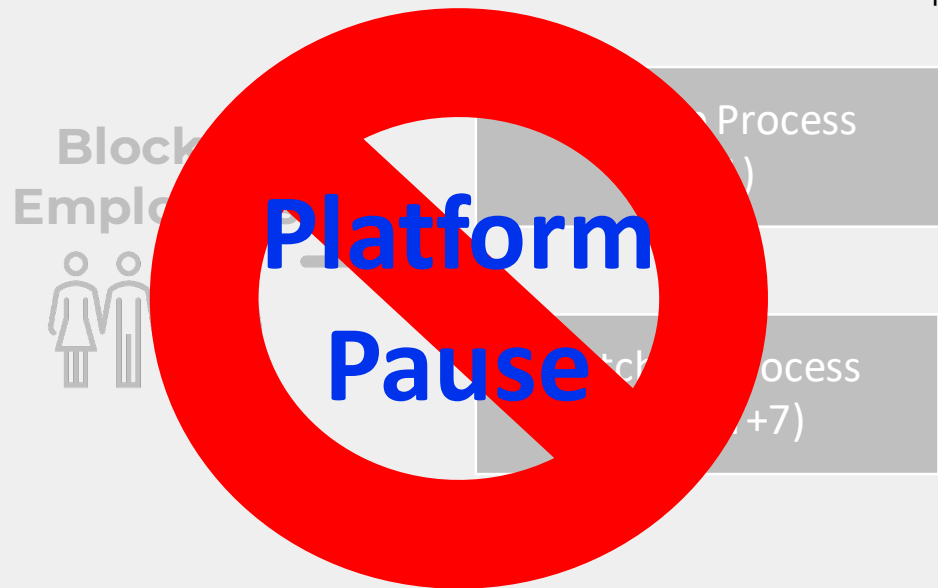


Case 22-19361-MBK Doc 1478-6 Filed 09/11/23 Entered 09/11/23 16:04:03 Desc Exhibit E-03 More Information Page 5 of 64

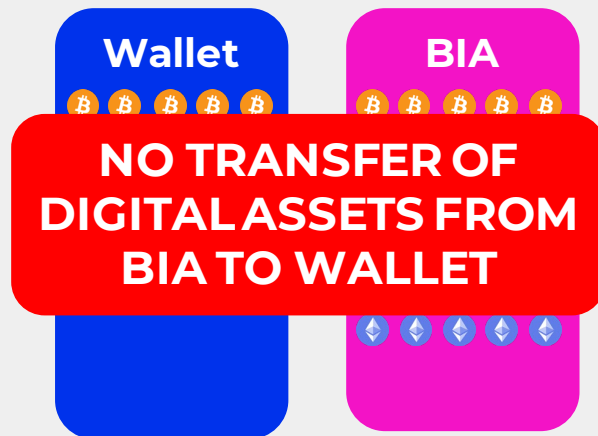
The Attempted Post-Platform Pause Transactions

5

BlockFi Employees did **not** conduct the Batching and/or True-Up Process with respect to the transfer requests initiated on the User Interface **after** the Platform Pause Time Stamp.



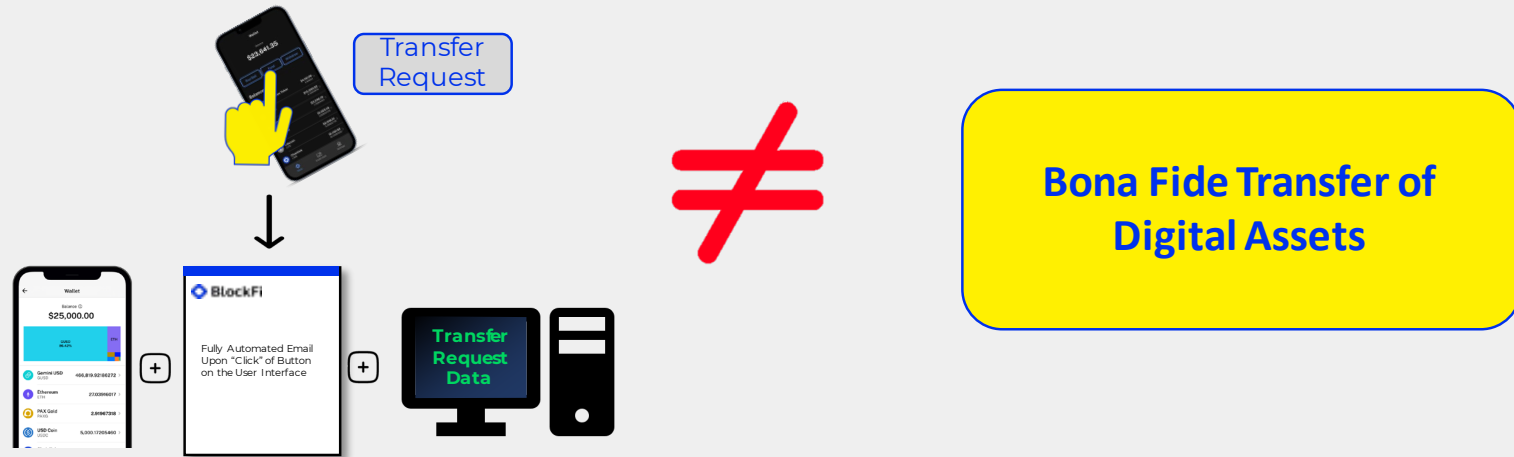
Coin Balances



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Exhibit E to Malone Declaration Page 57 of 64

The Troutman Ad Hoc Committee Argues that a “Click” on the User Interface Creates an Ownership Interest of the Digital Assets Held in the Custodial Omnibus Wallets⁽¹⁾

This is not, and cannot be, the case.



The Wallet Withdrawal Objection



BlockFi Wallet

**Notional Value of Custodial
Omnibus Wallets as of the
Platform Pause Time Stamp⁽¹⁾**

\$296,950,551.82⁽¹⁾

**The Troutman Ad
Hoc Committee**

**Asks that ~\$375 million⁽²⁾ of
Requested BIA to Wallet
Transfers by 48,185 clients
after the Platform Pause
Time Stamp should *also* be
entitled to recovery from the
digital assets in the
Custodial Omnibus Wallets**

Cheela Decl. ¶ 81.

See Troutman Ad Hoc Committee Response [Docket No. 834], ¶ 9, 23.

(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.

(2) Price conversion using digital asset prices as of 01:15 UTC on November 11, 2022.

The Current State of Affairs

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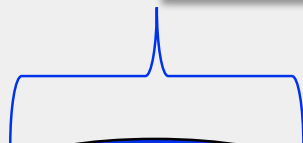
Stop Payment Declaration

Page 59 of 64

Desc

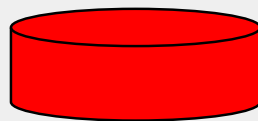


Title to assets contained in the Custodial Omnibus Wallets belongs only to those clients with holdings represented in the Custodial Omnibus Wallets as of the Platform Pause Time Stamp. Those clients own the digital assets in the Custodial Omnibus Wallets—not BlockFi *or anyone else*.



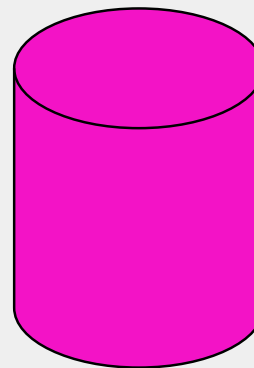
**Custodial
Wallet Assets**

\$297 million⁽¹⁾



Wallet Claims

\$297 million⁽¹⁾



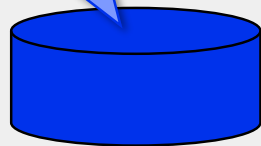
BIA Claims

\$1.2 billion⁽¹⁾

(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.

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The Current State of Affairs

Digital Assets in the Custodial Wallet Accounts owned by BlockFi clients who held digital assets in the Custodial Omnibus Wallets as of the Platform Pause Time Stamp.



**Custodial
Wallet Assets**

\$297 million⁽¹⁾

Clients who had title to digital assets in the Custodial Omnibus Wallets **as of** the Platform Pause Time Stamp.



Wallet Claims

\$297 million⁽¹⁾

Includes clients with BIA holdings as of the Platform Pause Time Stamp who requested to move to Wallet **after** the Platform Pause Time Stamp.

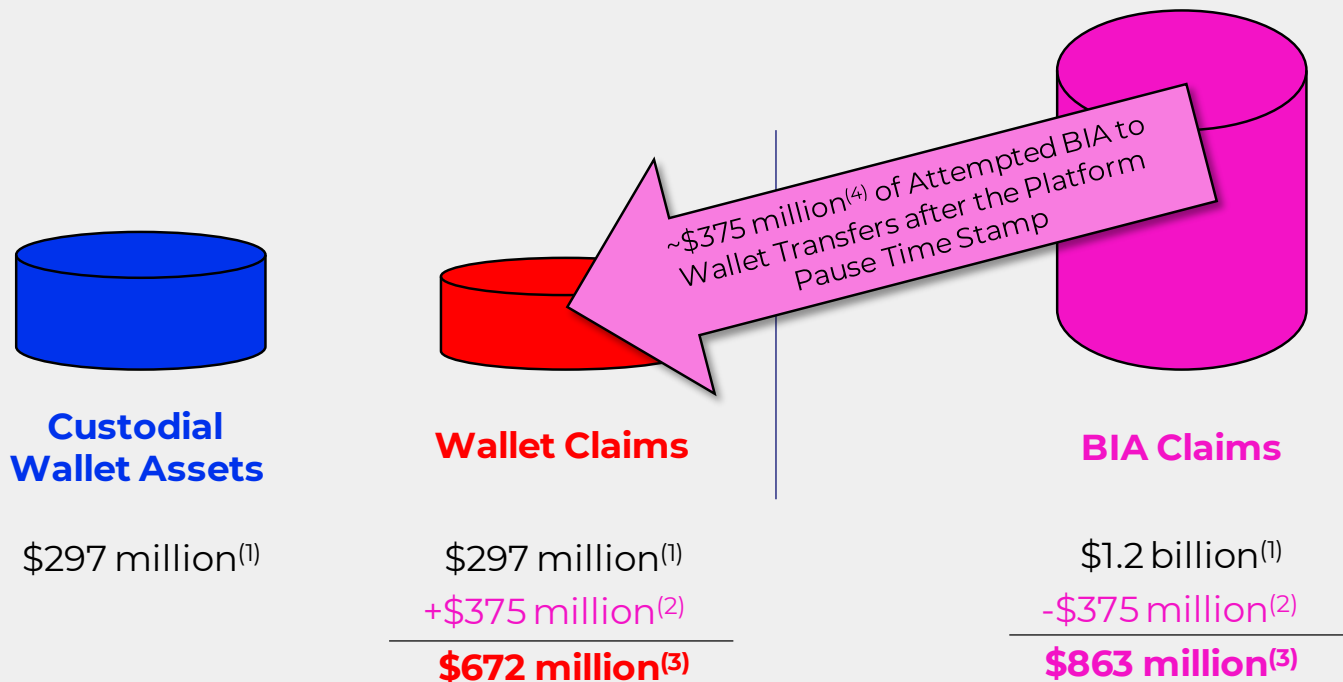


BIA Claims

\$1.2 billion⁽¹⁾

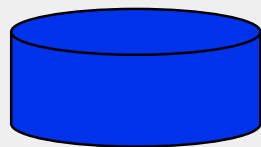
(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.

Troutman Ad Hoc Committee Requests to Dilute Recoveries for Clients who Had Digital Assets in BlockFi Wallet as of the Platform Pause



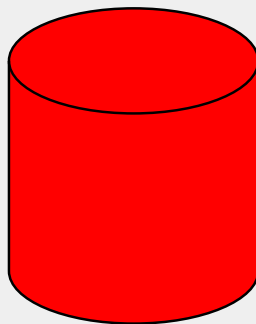
(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.
 (2) Price conversion using digital asset prices as of 01:15 UTC on November 11, 2022.
 (3) For demonstrative purposes, the Debtors make no waivers or admissions and reserve all rights.

Troutman Ad Hoc Committee Requests to Dilute Recoveries for Clients who Had Digital Assets in BlockFi Wallet as of the Platform Pause



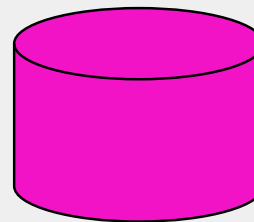
**Custodial
Wallet Assets**

\$297 million⁽¹⁾



Wallet Claims

\$672 million⁽²⁾

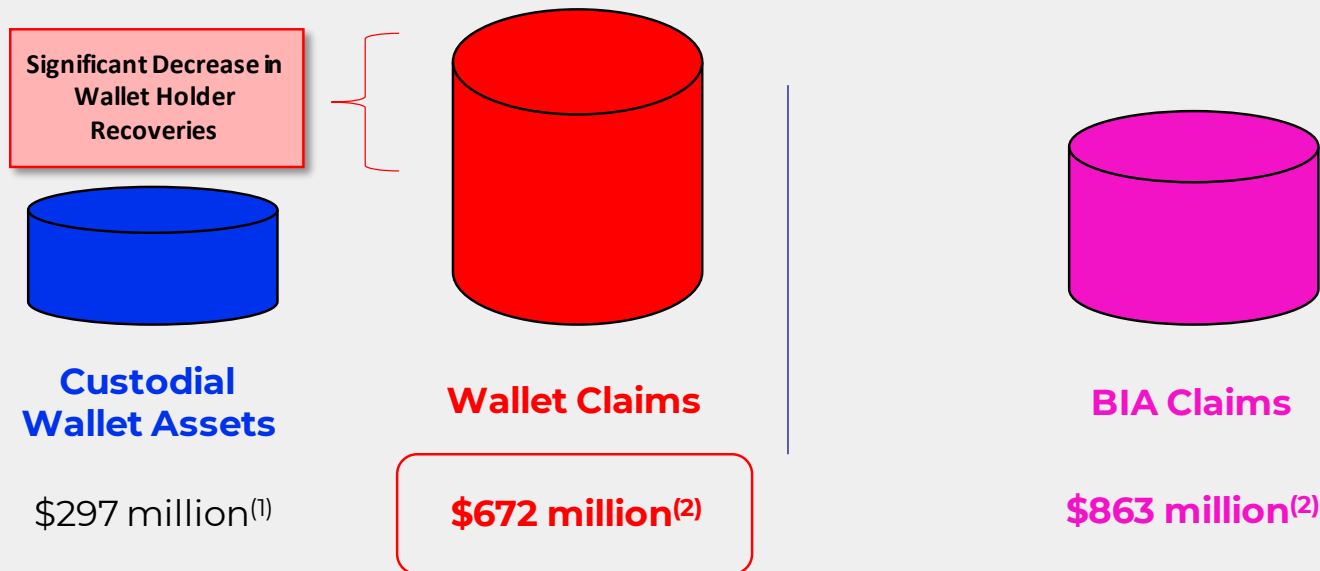


BIA Claims

\$863 million⁽²⁾

(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.
(2) For demonstrative purposes; the Debtors make no waivers or admissions and reserve all rights.

Troutman Ad Hoc Committee Requests to Dilute Recoveries for Clients who Had Digital Assets in BlockFi Wallet as of the Platform Pause



(1) Price conversion using digital asset prices as of 11:59 UTC on November 28, 2022.
(2) For demonstrative purposes; the Debtors make no waivers or admissions and reserve all rights.

The Wallet Withdrawal Motion

The Debtors seek to do right by their clients:



Honor client withdrawals from Client Wallet Accounts as of the Platform Pause Time Stamp and **return the crypto in Omnibus Wallet Accounts to clients promptly**; and



Update the User Interface to reflect proper accounting of digital assets as of the Platform Pause Time Stamp.

